League of Minnesota Cities
Board of Directors Meeting
October 17, 2019

MINUTES

Members Present: Mike Mormson (Hopkins), Brad Wiersum (Minnetonka), Rita Albrecht (Bemidji), Amy Brendmoen (St. Paul), Curt Boganey (Brooklyn Center), Andrew Johnson (Minneapolis), D. Love (Centerville), Jeff Lunde (Brooklyn Park), Maggie McCallum (Mayer), Josh Malchow (Slayton), Justin Miller (Lakeville), Candy Petersen (N. St. Paul), Jeff Pilon (Nowthen), Donna Schmitt (Columbia Heights), Jim Weikum (Biwabik), Heidi Omerza (Ely), Mark McNeill (Mendota Heights), Ron Johnson (Bemidji) and Mary McComber (Oak Park Heights)

Guests Present: Dan Buchholtz (Spring Lake Park) and Michael Rietz (Barnesville)

Staff Present: Dave Unmacht, Pat Beety, Luke Fischer, Kellie Sundheim, Laura Kushner, Marky Engler, Gary Carlson, Anne Finn, Ann Lindstrom, Ted Bengtson, Craig Johnson, Adriana Temali-Smith

1. Call to Order & Pledge of Allegiance
   President Mormson called the meeting to order and led the Pledge of Allegiance.

2. Presentations / General Communications
   2.1 St. Louis Park Mayor Jake Spano – Candidate for National League of Cities (NLC) Board of Directors
   Mayor Spano came before the board and provided a bit of background on his experience and why he is choosing to run for a seat on the NLC Board.

   Wiersum made a motion to approve the endorsement of St. Louis Park Mayor Jake Spano for candidacy on the National League of Cities Board of Directors, seconded by McComber. Motion carried.

   2.2 Presentation by Adriana Temali-Smith on the LEAD Academy
   Temali-Smith gave a brief update to the board on the status of the LEAD Academy.

   the LEAD Academy is currently offered in partnership with the Association of Minnesota Counties, Sourcewell and Metropolitan State University. The program is aimed at city and county employees who are supervisors or who will be moving into a supervisory role. The
program is cost-effective, and the courses are currently offered in two locations: Staples and St. Paul. The program is made up of 4 mini-series with 3 workshops consisting of ½ day sessions. Registration for 2020 courses opened on October 14.

3. Approval of Consent Items
Petersen moved approval of the consent items, seconded by Lunde. Motion carried.

4. Discussion Items
   4.1 Review of League of Minnesota Cities Draft 2020 City Policies
Bengtson welcomed the Policy Committee Chairs to the meeting and thanked them for their service. He also recognized and thanked the many board members who serve on the policy committees.

Bengtson stated that IGR staff are available to assist with questions and that a contact list for IGR staff is included in each packet. The policy committees meet three times a year. The first meeting is to establish and define issues. Guest speakers are invited to address the committees at the second meeting and the policies are voted on at the third.

Bengtson continued by noting that the policies have been posted on the League’s website for a comment period which closes on October 25. The comments will be presented to the Board at the November 7th meeting for consideration.

Bengtson asked the committee chairs to present their committee’s recommendations.

Dan Buchholtz, Chair of the Improving Service Delivery Policy Committee described the work of the committee and identified guest speakers. He then stated that the committee is recommending two new policies and the deletion of one policy.

- **SD-NEW A. Consumer Small Loans (p.83):** This policy seeks statewide legislation that would protect consumer small loan borrowers against predatory lending practices. Also, cities should have explicit authority to regulate consumer small loan conditions including the ability to cap finance charges and interest rates.

- **SD-NEW B. Voter Assistance (p.84):** This policy supports the ability of election judges to respond to the needs of voters who may benefit from assistance to ensure the greatest level of participation by those eligible to vote.

**Deletion of Existing Policy**
- **SD-73. Posting Campaign Finance Reports Online (p.78)**
  - Improving Service Delivery Committee guest speakers:
    - Public Health Law Center of Mitchell Hamline to discuss Tobacco 21 efforts
      - Natasha Phelps, Staff Attorney
      - Joelle Lester, Director of Commercial Tobacco Team
    - Minnesota Department of Commerce Discussion on Energy
Wiersum asked about SD-New A. and what the extent of state law is regarding these types of loans. Buchholtz commented that there are different opinions on who has authority over these loans. Finn added that the Department of Commerce has oversight of the loans, but it depends on the amount of the loan and where the lender is based as to what authority they have. She also noted that enforcement has been lax.

Lunde agreed and stated that in order to control these types of loans banks need to be more flexible with their loaning programs.

Boganey had a comment on SD-New B. He feels that the addition of this policy will encourage voters who may have difficulty in understanding the process to get out and vote.

Mary McComber, Chair of the Improving Local Economies Policy Committee, described the work of the committee and identified guest speakers. She then stated that the committee is not recommending any new policies or any policies for deletion. McComber also thanked the board, staff and George Tourville for their help this year.

- Improving Local Economies guest speakers were:
  - Discussion with Ryan Baumtrog, Assistant Commissioner for MN Housing
  - Discussion on Transportation Finance
    - Senator John Jasinski (R- Faribault)
    - Representative Brad Tabke (DFL- Shakopee)
  - Discussion with Libby Murphy, Deputy Policy Director, MN Housing Partnership

There were no questions or comments on the Improving Local Economies Policies.

Michael Reitz, Chair of the Human Resources & Data Practices Policy Committee, described the work of the committee and identified guest speakers. He then stated that the committee is not recommending any new policies but is recommending the deletion of two policies. Reitz also thanked everyone involved for helping this year’s committee

**Deletion of Existing Policies**

- **HR-11. Retirement Work Incentives** (p.144)
- **DP-9. Rideshare Data** (p.163)

- Human Resources & Data Practices guest speakers were:
  - Discussion with MNPERA on pensions
    - Amy Strenge, Policy Coordinator
Lance Lafrombois, Retirement Services Director
  o Discussion with LMC Insurance Trust (LMCIT) on PTSD claims
    Dan Greensweig, Insurance Trust Administrator
    Lena Gould, Policy Analyst
  o Discussion on Data Practices Issues
    Senator Jerry Relph (R- St. Cloud)
    Representative John Lesch (DFL- St. Paul)

Mornson asked if there have been any questions or concerns from our members about HR-5. Implications of Janus v. AFSCME. Kushner noted that there have not been many questions or concerns raised so far.

Joshua Malchow, Chair of the Improving Fiscal Futures Policy Committee, described the work of the committee and identified guest speakers. He then stated that the committee is not recommending any new policies or any policies for deletion. Malchow also thanked the IGR team, committee members and the board for their assistance.

• Improving Fiscal Futures guest speakers were:
  o Discussion of LGA, tax issues, and legislation
    Representative Paul Marquart, House Tax Chair (district 04b-Dilworth)
  o Discussion of Current LGA formula & other tax issues
    Pat Dalton, Legislative Analyst, MN House of Representatives

There were no questions or comments on the Improving Local Economies Policies.

Bengtson commented that the final adoption of the policies will be at the November 7th board meeting. Please contact IGR staff members if you have any amendments.

4.2 LMCIT Update
D. Love provided the update in Greensweig’s absence. Greensweig and a few of his staff are at the NLC RISC Conference.

At the October LMCIT meeting the board talked about the Property/Casualty program. Losses over the past year have been higher than projected, but the program’s financials remain very healthy. The board decided to maintain their current levels of re-insurance for the upcoming year. P/C insurance rates will be rise by 4.5%. Police liability claims continue to be an issue.

LMCIT has given out a dividend the past 30 years. This year’s dividend is $2.5 million

The LMCIT board will discuss the Worker’s Compensation program at their November meeting.

4.2 Legal Update – Pat Beety provided an update on the Firefighters Union Local 4725 v. City of Brainerd case that was decided by the Minnesota Supreme Court on October 9th. The Court held
that when a public employer commits an unfair labor practice by interfering with the existence of a union it is not excused because the employer was exercising its inherent managerial authority. The thrust of the majority opinion is that a personnel restructuring decision can be both an inherent managerial decision and a ULP. This is very troubling in that all a union needs to show is that the employer’s personnel restructuring decision interfered with the existence of a union -- the interference does not need to be motivated by antiunion animus. The League will be evaluating this for purposes of a possible legislative fix.

Beety also discussed the unanimous decision released October 16th by the Minnesota Supreme Court in St. Paul’s waste collection case. In a decision explaining its previous order for a November ballot vote on the city’s organized trash collection ordinance, the court said that even a majority “no” vote against the ordinance would not sever the city’s five-year contract with a group of trash haulers. The court agreed with the League’s argument that a referendum cannot undo administrative action (like the adoption of a contract). Also, the court’s analysis on the conflict-preemption issue is favorable to cities by preserving local authority absent a “specific indication of legislative intent” to preempt local authority. This should bode well for the pending Minneapolis appeals.

5. Action Items
   5.1 Consider LMC FY2020 Employee Wage Increases
      Kushner and Mikacevich briefly went over the FY2020 pay plan for staff. The Executive Committee recommended approval of the pay plan at its September 30 meeting.

      There was no further discussion on the item.

      Boganey made a motion to approve the pay plan recommended by the Executive Committee for Fiscal Year 2020, seconded by Albrecht. Motion carried.

6. Affiliate Organization Updates
   6.1 Coalition of Greater Minnesota Cities
      Johnson noted that Audrey Nelson from Willmar is now the president of the organization. The board of directors and the organization’s committees will be meeting next week. The Coalition’s Fall Conference is November 14-15 at Arrowwood.

   6.2 Minnesota Association of Small Cities
      McComber commented that the MAOSC had their retreat last week in Hinckley. She thanked Unmacht and Love for coming on Friday. They are looking at doing some rebranding and updating their website.

   6.3 Metro Cities
      McNeill stated that the association has 5 new board members including Gene Ranieri from Minneapolis who will provide the group with some good historical knowledge. Metro Cities will hold its joint metro regional meeting with the League on November 14th.
7. President’s Message
   President Mornson commented that Regional Meetings are going great and he appreciates everyone’s work. He also noted that we will have another guest speaker at the December 12th meeting.

8. Executive Director Update and Adjournment
   Unmacht mentioned that the executive committee talked about the Engagement Matrix at their meeting this morning so watch for more news on that. He also noted that the format for the Friday Update is changing and that he will be adding the League’s Supervisor Group to its distribution. Mornson and Unmacht went to visit Dave Smiglewski in Granite Falls to help celebrate his 40 years of government service.

[Signature]

Dave Unmacht, Executive Director